



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

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November 6, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT NO. 2 TO DIETARY SERVICES AGREEMENT
WITH MORRISON HEALTHCARE, INC.**
(Fifth District) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Chair of the Board of Supervisors to sign the attached Amendment No. 2 to Agreement No. 70694 with Morrison Healthcare, Inc., for the provision of dietary services at Olive View/UCLA Medical Center, effective December 1, 2003 through May 31, 2004 for a total maximum obligation of \$1,651,245.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

In approving this action, the Board is authorizing the Chair of the Board of Supervisors to sign Amendment No. 2 to Agreement No. 70694 with Morrison Healthcare, Inc. (Morrison) to continue the provision of dietary services at Olive View/UCLA Medical Center (OV/UCLA MC) on a month to month basis for a period of six (6) months, effective December 1, 2003 through May 31, 2004.

The Department of Health Services (DHS) has been contracting out Dietary Services under provisions of County Code 2.121.250 *et seq.*, "Contracting with Private Businesses" (Proposition A), since October 1984. Dietary services are an integral part of the legitimate activities which must be provided by a hospital to perform its health care functions.

Current County policy and guidelines require the timely submission of contracts for Board approval. However, Amendment No. 2 was not scheduled for placement on the Board's

agenda three weeks prior to its effective date due to the Departmental review and approval of the six month budget.

FISCAL IMPACT/FINANCING:

The maximum obligation of Amendment No. 2, effective from December 1, 2003 through May 31, 2004, is \$1,651,245, net County cost.

Funds are available to support the agreement in the Fiscal Year 2003-04 DHS Adopted Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On May 13, 1997, the Board approved Agreement No. 70694 with Morrison to provide dietary services at OV/UCLA MC, effective June 1, 1997 through May 31, 1998, with provisions for four one-year automatic renewals and a six-month automatic renewal, with an expiration date of November 30, 2002. Amendment No. 1 was originally approved by the Board on November 26, 2002. However, the budget for the extension was incorrect.

On May 20, 2003, the Board approved Amendment No. 1 to Agreement No. 70694 extending the term of the agreement effective December 1, 2002 through November 30, 2003.

Morrison Healthcare, Inc. is providing approximately 324,000 patient meals annually. In addition, the agreement permits the contractor to utilize the kitchen facilities at OV/UCLA MC during off-hours or inactive times to provide non-County meals to non-profit agencies, such as those providing "Meals on Wheels" nutrition programs for the elderly, or summer lunch programs for school children. The County is reimbursed for the use of this space and utilities and also receives reimbursement at a specified rate per meal.

Contract monitoring functions will be performed by Administrative staff at OV/UCLA MC.

County Counsel has approved Amendment No. 2 (Exhibit I) as to form.

The contractor is in compliance with all Board, CAO and County Counsel requirements.

CONTRACTING PROCESS:

DHS is in the process of completing a solicitation for Dietary Services at OV/UCLA MC, Harbor-UCLA Medical Center, Martin Luther King, Jr./Drew Medical Center and Rancho Los Amigos National Rehabilitation Center and anticipates that this RFP process will be completed prior to the expiration of Amendment No. 2.

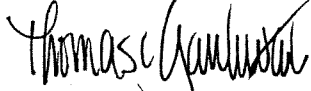
IMPACT ON CURRENT SERVICES (OR PROJECTS):

Board approval will allow for the continued provision of dietary services at OV/UCLA MC during the solicitation of a new dietary services contract.

The Honorable Board of Supervisors
November 6, 2003
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When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Thomas L. Garthwaite".

Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:pm

Attachments (1)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller

BLET:CD3056.amb
10/03/03

SUMMARY OF AGREEMENT

1. Type of Services:

Dietary Services at Olive View/UCLA Medical Center

2. Agency Name/Address/Contact Person:

Morrison Healthcare, Inc.
1727 Axenty Way
Redondo Beach, CA 90278
Attention: Edward M. Clark
Telephone: (310) 798-4017

3. Term:

The term of Amendment No. 2 to Agreement No. 70694 will become effective December 1, 2003 through May 31, 2004.

4. Financial Information:

Funds are available in the DHS Fiscal Year 2003-04 Budget. The total maximum obligation for the six month extension is \$1,651,245.

5. Person Accountable for Program Monitoring:

Dexter Moon, Contract Administrator, Olive View/UCLA Medical Center
Telephone: (818) 364-3418

6. Approvals:

Olive View/UCLA MC:	Melinda Anderson, CEO
Contracts and Grants Division:	Riley Austin, Acting Chief
County Counsel (approval as to form):	Elizabeth Friedman, Senior Deputy County Counsel

EXHIBIT I

Contract No. 70694

AGREEMENT FOR DIETARY SERVICES
AT OLIVE VIEW/UCLA MEDICAL CENTER

AMENDMENT NO. 2

THIS AMENDMENT is made and entered into this _____ day
of _____, 2003,

by and between the

COUNTY OF LOS ANGELES
(hereafter "County")

and

MORRISON HEALTH CARE, INC.,
(hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled
"AGREEMENT FOR DIETARY SERVICES AT OLIVE VIEW/UCLA MEDICAL
CENTER", dated May 13, 1997, and further identified as County
Agreement No. 70694, an extension letter dated February 21, 2002,
and any Amendments thereto (all hereafter referred to as
"Agreement"); and

WHEREAS, it is the intent of the parties to amend Agreement
to extend its term and to make the changes described hereinafter;
and

WHEREAS, said Agreement provides that changes may be made in
the form of a written amendment which is formally approved and
executed by the parties.

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective on December 1,
2003.

2. The term of this Agreement is hereby extended on a month to month basis, for a maximum of six (6) months, from December 1, 2003 through May 31, 2004, unless sooner terminated by County.

3. That Exhibit B, be replaced with Exhibit B-1, attached to this Amendment and incorporated in Agreement by reference.

4. Except for the changes set forth herein above, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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IN WITNESS WHEREOF, Contractor has executed this Contract, or caused it to be duly executed and the County of Los Angeles, by order of its Board of Supervisors has caused this Contract to be executed on its behalf by the Chair of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, the day and year first above written.

CONTRACTOR: MORRISON HEALTH CARE, INC.

By Edward Clegg
Signature

Regional VP
Title

COUNTY OF LOS ANGELES

By _____

ATTEST:

VIOLET VARONA-LUKENS
Executive Officer-Clerk
of the Board of Supervisors

By _____

APPROVED AS TO FORM:

Lloyd W. Pellman
County Counsel

By _____
Senior Deputy County Counsel

Department of Health Services

By _____
Acting Chief, Contracts and
Grants Division

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SCHEDULE 2

CONTRACTOR'S BUDGET AND COUNTY'S CHARGE SCHEDULE

Contractor's 6 Month Budget
December 1, 2003 through May 31, 2004

I. Contractor to Deliver 24,000 - 30,000 Meals Per Calendar Month:

Labor Costs	\$ 978,259
Raw Food Costs	\$ 469,604
Equipment Costs	\$ 11,923
Materials, Services and Supplies	\$ 106,607
Utilities	\$ 521
Maintenance	\$ 6,058
General Administrative & Management Fee	\$ 45,081
Subtotal	\$ 1,618,053
Sales Tax Liability	\$ 13,192
A. TOTAL AMENDMENT BUDGET	\$ 1,631,245
B. Special Function Meals	\$ 12,500
C. Incidental Food and Supplies	\$ 4,000
D. Patient Tube Feeding Products	\$ 3,500
E. Contractor's Total Budget	\$ 1,651,245

CPIU adjusted to 2.1%